

PARC Initiatives

Hubbing & Spoking--New Concept of Full Service Contracting (FAA Contracting Restructuring)

FAA CONTRACTING RESTRUCTURING CORPS CORPORATE RIGHTSIZING IN CONTRACTING

PARC's Philosophy Behind the Approach

CONTRACTING RESTRUCTURING IS AN EFFORT TO SHIFT THE STRATEGIC FOCUS OF THE CONTRACTING ACTIVITIES IN THE CORPS.

THE CORPS HAS SADDLED COMMANDERS WITH THE NOW IMPOSSIBLE TASK TO PROVIDE EFFICIENT FULL SERVICE CONTRACTING AND SUSTAIN STAFFS THAT ARE OFTEN NOT NECESSARY TO MAINTAIN ITS COMPETITIVE EDGE AND BE MISSION READY TO SUPPORT ITS CUSTOMERS.

HQDA IS ALSO CHALLENGING THE CORPS IN ITS FAA DOWNSIZING DRILL TO IDENTIFY ITS STRATEGIC POSITION IN CONTRACTING FOR THE ARMY. WE MUST CREATE A UNIQUE AND SUSTAINABLE POSITION IN THE ARMY FOR THE CORPS OR THE CORPS CONTRACTING BUSINESS WILL NOT BE PROTECTED AND COULD BE SWALLOWED UP BY THE SATELLITES AND CENTERS OF THE MAINSTREAM ARMY.

TO SURVIVE IN THE ARMY, CORPS CONTRACTING MUST BE OPERATIONALLY EFFECTIVE. WE MUST IDENTIFY AND EXTEND OUR BEST PRACTICES AND LEVERAGE OUR EXPERTS.

THE PARC OFFICE CHALLENGED ALL CONTRACTING ACTIVITIES IN THE CORPS DOING OUR FORUM/WORKSHOP IN DALLAS (18-22 AUGUST) TO IDENTIFY WHERE THEIR BUSINESS STRENGTHS LIE. THEY DETERMINED HOW THEY COULD CUT DOWN THE COST OF DOING BUSINESS. HOW TO ESTABLISH CORPS DIVISION/DISTRICT INTERDEPENDENCE - HIGHLY EFFICIENT VIRTUAL FULL SERVICE ORGANIZATIONS - AND EFFECTIVE PARTNERING RELATIONSHIPS FOR THEIR CUSTOMERS' BENEFIT.

WHAT IS THE BEST MIX OF CAPABILITIES, EXPERTISE AND EXPERIENCE IN THE VARIOUS TYPES OF CONTRACTING THE CORPS MUST EXECUTE?

THEY CONCENTRATED ON IDENTIFYING THOSE FEW CORE CONTRACTING ACTIVITIES THAT ARE MISSION CRITICAL AND SUPPORT THEIR UNIQUE CAPABILITIES FOR THEIR CUSTOMERS.

BY THE CHIEF APPROVING A NEW CONCEPT OF FULL SERVICE CONTRACTING, DISTRICTS NO LONGER HAVE TO BE ALL THAT THEY CAN BE AS INDEPENDENT ENTITIES. THEY CAN GROW WHAT THEY DO BEST AND DEPEND ON OTHER DISTRICTS FOR SUPPORT. EVEN ACROSS DIVISIONS. POACHING WILL NOT BE A NECESSARY MARKETING STRATEGY FOR SUSTAINMENT OF A STABLE WORK FORCE.

OTHER AGENCIES WILL NOT ACQUIRE A COMPETITIVE ADVANTAGE THROUGH CHEAPER SERVICES THAT FIGHT FOR THE CORPS TURF--SPECIFIC CORPS CONTRACTING WILL BE PROTECTED. THE CORPS COSTS WILL GO DOWN.

COMMANDERS/DOCS MUST AGGRESSIVELY SEEK WAYS TO ELIMINATE, LIMIT OR OUTSOURCE CONTRACTING ACTIVITIES THE DISTRICT/CENTER/LAB CANNOT ATTAIN EFFICIENCY IN PERFORMING--ESPECIALLY WHEN THOSE ACTIVITIES ARE NOT ESSENTIAL TO THEIR CHOSEN AREAS OF STRATEGIC FOCUS.

TO DO THIS, THE OPARC MUST CREATE A NEW CULTURE IN THE CONTRACTING COMMUNITY THAT ENHANCES COMMUNICATION, COOPERATION AND COORDINATION.

OUR GOAL IS TO SET THE CONTRACTING OFFICES A-F-I-R-E, ENSURING THAT ALL ARE STEEPED IN THE AGGRESSIVE CHARACTERISTICS OF ADAPTABILITY, FLEXIBILITY, INNOVATION, EFFECTIVE AND EFFICIENCY TO THE MAXIMUM, WHILE OUTSOURCING, TO THE MAXIMUM, NON-CRITICAL MISSION FUNCTIONS.

THE STRATEGY IN HUBBING/SPOKING IS A WORKLOAD- ACTIVITY-FOCUSED STRATEGY ON EFFICIENCY. WORKLOAD-DRIVEN-EFFICIENCIES AROUND THE TYPE OF WORK BEING DONE.

WE ARE LOOKING AT A RELATIVE POTENCY OF THE DISTRICTS/LABS/AND CENTERS EFFICIENCY.

WHAT DOES EFFICIENCY MEAN? EFFICIENCY MEANS WHERE THE LEAST ASSETS OR RESOURCES ARE BEING USED TO DO THE JOB. WHERE THE SMALLEST COST IS APPLIED TO EXECUTING VARIOUS TYPES OF AWARDS.

THE DIVISION/DISTRICT COMMANDER DECIDES FOR HIS CUSTOMERS. THE DIVISION COMMANDER IS THE FOCAL POINT FOR BUSINESS DECISIONS AFFECTING THE SUBORDINATE DISTRICTS OF THE DIVISION. HE/SHE IS AT THE CENTER OF BUSINESS. HE/SHE DECIDES TO CONTRACT INTERNALLY OR SOURCE THE CONTRACTING EXTERNALLY WITH ANOTHER DISTRICT WITHIN HIS/HER DIVISION OR OUTSIDE HIS/HER DIVISION.

WITH EVERY TYPE OF CONTRACTING BEING DONE IN THE SUPPORTED AREA, A SERIES OF QUESTIONS WILL BE ASKED: CAN WE ACHIEVE BEST-IN-THE-CORPS CONTRACTING

FOR THIS FUNCTION? IF SO, SHOULD IT BE PART OF OUR HUB (CORE) FUNCTIONS? IF NOT, WHAT POSSIBILITIES EXIST FOR OUTSOURCING THE ACTIVITY OR FORMING A STRATEGIC ALLIANCE WITH ANOTHER DISTRICT OR DIVISION WHO HAVE DEMONSTRATED SUPERIOR CAPABILITIES IN THAT AREA OR HAVE DEMONSTRATED LESS COST/\$ AWARDED.

IN ALL OF THIS, REMEMBER, WE ARE NOT HOLLOWING THE DISTRICT OUT. WE ARE THINKING CORPORATELY FOR THE CORPS. WHENEVER A DISTRICT CONTRACTS FOR SOMETHING INTERNALLY THAT ANOTHER DISTRICT CAN BUY MORE EFFICIENTLY AND EFFECTIVELY, WE BELIEVE IT SACRIFICES COMPETITIVE ADVANTAGE AND SOMETIMES LONG TIME SURVIVAL FOR THE WHOLE CORPS. STRATEGIC SUCCESS FOR THE CORPS TODAY IN CONTRACTING WILL BE DETERMINED BY DISTRICTS FORMING COALITIONS WITH ONE OR MORE DISTRICTS WITHIN THEIR DIVISION OR WITH ANOTHER DIVISION TO GET ITS CUSTOMERS' WORK DONE. THAT'S THE PHILOSOPHY BEHIND THE APPROACH THAT YOU WILL SEE IN THIS BRIEFING. WE WANT THE FINEST TEAM AND BEST VALUE CONTRACTING AT EVERY DISTRICT. WE DO NOT WANT EXPENSIVE SWEAT SHOPS IN THE CORPS. WE WANT UNIQUE DEPTH IN WHATEVER THE COMMANDER SELECTS AS HIS CORE FUNCTIONS FOR CONTRACTING. WE WANT CONTRACTING ACTIVITIES A-F-I-R-E WITH SUPERB OUTSOURCING COALITIONS AND SOUND LOGISTICS OF OPERATIONS THAT WILL BE SUPPORTED BY OUR IM COMMUNITY. THE BIG CHALLENGE IN THIS PROCESS IS:

WHAT STAYS! WHAT GOES!

INDEPENDENT FULL SERVICE CONCEPT--BIG COSTS/ SOMETIME
LARGE OVERHEAD--THAT'S OUT.

THE OBJECTIVE IS NOT TO SLASH COSTS AND PEOPLE SIMPLISTICALLY, BUT RATHER TO BUY PRODUCTS AND SERVICES FOR CUSTOMERS MOST EFFECTIVELY AND EFFICIENTLY.

FORUM / WORKSHOP PROCESS

Corporate Rightsizing in Contracting Concept / Model Orientation

PARC ASSESSMENTS

BENCHMARKS

IMPACTS

Types of Contracting
Efficiencies

Success Models,
Struggles, Unique
Contracting
Operations

IM
Infrastructure

Recommendations
Inefficiencies/
FTE Reductions

Enabling Aquisition
Reform Initiatives

IPT

Division Commanders' / Directors' Breakouts

Commanders'/Directors'
Assessment Validaiton

Alternative Full
Service Options

What Are
Critical Functions

What Are
Non-Critical
Functions

What Districts /
Division Are
Potential Partners?

What Are Unique
Mission Needs Factors

Efficiency Validation
What's More Efficient;
What Creates Value

What's the Best New
Concept of Full
Service?

Briefouts

Forum (Group) Recommendations

Initial Corps Corporate Rightsizing in Contracting Division / District Restructures

CORPS RATIONALE AND METHODOLOGY FOR BUSINESS SYSTEM IMPROVEMENT

Goal: Interactive/Continuous Process Improvement toward maximum efficiency and effectiveness to achieve dramatic improvements in critically measured performance.

1. Consolidation Guiding Principles: a. Is consolidation feasible--does it make sense? b. If feasible, how would the consolidation look? Alternatives: (1) Consolidate all Labs, **concentrate on R&D**, export other contracts (out-source). (2) Regionalize contracting for districts. (3) Develop USACE centers for specialized areas (e.g., HTRW over \$75 Million). (4) Create Modified or Affiliated Activities and/or on-site liaisons.
2. Criteria for consolidation. a. Co-location. Advantages and disadvantages. b. Function. Advantages and disadvantages. c. Region. Advantages and disadvantages. d. Keep one door to the Corps. Maximize one-stop contracting operations. Full/modified service for all activities. e. Workload: Eliminate duplication of functional or unnecessary effort/redundancy. f. Legal and Human Resources concerns. g. Standardization of business practices and objectives.
3. Subjective considerations. a. Impact on USACE mission. b. Scope and effect of contracts. c. Complexity of contracts. d. Successful measurements made toward acquisition reform. e. Local management initiatives. Utilization of high grade workforce. f. Risk identification g. Pilot center concepts. h. Minimize overhead costs. I. Commanders needs. j. Customer needs/expectations. k. Performance gaps.
4. Staffing considerations for 800 and 1100 series contracting workforce broken down by activity.
5. Business System Component Consideration: a. Customer. b. Product/Services. c. Competence. d. Process. e. Management. f. Workforce. g. Structure. h. Technology. I. Culture. j. Environment.
6. Final recommendations for divisions and subordinate districts, labs, and field operating activities.
7. Envisioned Corporate Benefits: a. Process management and activity-based costing techniques for cost control. b. Increase in competence/leverage of expertise and ultimate reduction of 49 contracting workforce FAA spaces. c. Workforce cultural change - changing values, expectations, motivation, vision, diversity; realistic pushes towards empowerment and development (improving employees skill sets and critical thinking concepts). d. Improved innovation:
 - (1) Workflow management practices.
 - (2) Performance/competence-based reward accomplishment.
 - (3) Partnering.e. Greater improvements in information technology utilization through consolidation of resources. f. Exceed expectations and foster continuous improvement in customer service/productivity/quality/speed/responsiveness/communication/ coordination/cooperation.

SAACONS/SPS NEWS

Kevin Doyle, SAACONS System Manager
Louisville District
502-582-6311, Fax 5554
e-mail: kevin.j.doyle@smtp.orl.usace.army.mil

SPS OVERVIEW

The Standard Procurement System (SPS) is the DOD Acquisition System. This system is based on the PD2 (Procurement Desktop2) developed by American Management Systems in Alexandria, VA. PD2 is being used by some other Federal Agencies and by the Canadian government. This package has been adjusted to meet the requirements of DOD acquisition processes. General information about SPS can be obtained on website <http://www.sps.hq.dla.mil/>

Technical Infrastructure for SPS is a flexible implementation of open systems architecture. The MegaCenters can support the Massive Parallel Processing (MMP) or Symmetric MultiProcessing) SMP using various server services. The hardware is divided into three parts: system, user and network hardware. Existing equipment and communication systems are used wherever possible. HQUSACE, CEIM will be designing the system server architecture and determining database locations.

User hardware includes the Local Area Networks (LAN), Personal computers (PCs) and printers. Users will use the LAN servers to share access to local resources and connection to the Defense Information System Network (DISN) and Non-Classified Internet Protocol Network (NIPRNET). Users will use the PCs to run all or part of the SPS application. The minimums for these desktops has been distributed previously. PROMIS level PCs will function sufficiently for SPS. Modems can also be use for connection purposes, but are not recommended except for emergency situations. Network hardware like routers and bridges will connect the users to the NIPRNET or DISN. The fonnat for transfer of data will be TCP/IP.

The SPS system consists of three functional components - SPS commercial software (PD2), Special Contract Administration Functions (like PPMIS, ACASS, SSCASS, CCASS and other COE specific applications) and Shared Data Warehouse (the repository of data that is common or used by multiple functional comununities ... vendor information).

Any new applications or interfaces for SPS will utilize a 4 GL RDBMS as much as possible. SQL is the data access language for SPS.

General Comments: SPS is designed to process a multitude of acquisition actions. Though not inclusive of every integration of contracting within the Corps of Engineers, simple adjustments or special procedures can be developed to maintain the productivity required. Reporting can be standardized and distributed to SPS servers as datacalls arise. This system is not a replacement for SAACONS. Most of the functionality of SAACONS has been preserved in SPS -- this system is a different road to the same goal. The look and feel of SPS is a 90s technology vs. the 80s version in SAACONS. The shared data warehouse and client/server functions reduced the stovepipe processes of the past and provide a means to move forward into the 21st Century.

FAQs

These FAQs are based on general observations and concerns from the Corps of Engineers representatives. Answers are based on data received from the Army EC Conference III, PMO office and the SPS web site.

1. What software will I need for SPS on my desktop?
WIN95 or NT, and Office 97. If users do not have Office 97, the contractor will provide it at no cost when SPS is fielded.
2. Will SPS require new processes to be learned for the CEFMS interface?
No, The interface to CEFMS will remain the same as is currently in SAACONS
3. How long will it take to convert our SAACONS data and start up SPS?
Estimated installation at the site is 1-2 days.
4. Does each COE site have to pay maintenance fee for SPS? No, the PMO office is funded for this until 2005.
5. Can I save a Word document to my hard drive as well as to the server?
Yes, You may use "Save As" function in Word to copy the file to your hard drive and may control permissions on the file on the server.
6. Will SPS look like SAACONS with the menus and use the Function keys?
No, SPS is a Windows based applications, options will be displayed by dialog boxes and dropdown menus.
7. How will I get a new vendor in SPS if they are not in SAACONS?
All vendors will have to register in the Central Contractor Registration Database. New vendors will be selected from the Shared Data Warehouse.

SAACONS System Manager Role in SPS

Kevin Doyle will work as a liaison for the transition between SPS and SAACONS for COE. His role will be to observe the operational assessments of the Beta 4.0 version of SPS and provide guidance to aid other COE sites in their deployment. Also his responsibilities will include assuring the transferring of adhoc from the Query menu System for SAACONS into SPS where necessary, provide trouble shooting and problem solving as needed for SPS deployment. He will act as technical POC between the PMO office, SARDA and AMS.

POCs for SPS at HQUSACE

Angela Billups	PARC	202-761-8644
Johnny Lane	PARC	202-761-8646
John Schell	CEIM	202-761-4752
Mark Grammar	CEMP	202-761-0744

Points of Contact

NAME	DOD Component	PHONE	e-mail address
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Component Management Offices

Mr. Chuck Lowe	USA (Pri)	(804) 765-4768	lowee@lee-dns1.army.mil
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LTC Dave Bell	USA (ALT)	(703) 681-9086	belld@sarda.army.mil
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Mr. Chuck Mills	USN & USMC	(703) 602-2799	mills-charles@hq.secnv.navy.mil
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Ms. Marion Palaza	USAF (Pri)	(703) 697-6522	mpalaza@safaqc.hq.af.mil
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Ms. Michelle Bell	USAF(Alt)	(334) 416-5580	bellm@ssg.gunter.af.mil
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Ms. Liz Gooding	ODA	(703) 767-6344	liz_gooding@hq.dla.mil
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Ms. Denise Mutscheller	DLA	(703) 767-1394	denise_mutscheller@hq.dla.mil
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Team Chiefs

Maj Sean Le, USAF Bus. Mgmt (703) 767-6346
sean_le@hq.dla.mil

Mr. Ray Raymond SPS Product Dvlpmt (703) 767-6354
john_raymond@hq.dla.mil

Mr. Thomas Wheel Corporate EDI (334) 702-6658
thomas_wheel@hq.dla.mil

Ms. Liz Gooding Development (703) 767-6344
liz_gooding@hq.dla.mil

Mr. Steven Martin Integration (703) 767-6345
steven_martin@hq.dla.mil

Ms. Linda Holcombe Requirements (703) 767-6392
linda_holcombe@hq.dla.mil

Mr. Mike Adams System Interface (937) 255-5354
adams@jpsc.wpafb.sf.mil

SPS Accelerated Development Schedule

HECSA	6/22	16	
Huntsville	6/22	54	High
Memphis	6/22	19	
New Orleans	6/22	40	
St. Louis	6/22	32	
Vicksburg/WES	6/22	49	
Kansas City	6/22	32	
Omaha	6/22	50	
Baltimore	6/22	73	High
New York	6/29	25	
Norfolk	6/29	30	
Philadelphia	6/29	28	
New England	6/29	15	
Buffalo	6/29	9	
Detroit	6/29	25	
Rock Island	6/29	17	
St. Paul	6/29	16	
Alaska	6/29	22	
Portland	7/6	27	
Seattle	7/6	31	
Walla Walla	7/6	23	
Huntington	7/6	26	
Louisville	7/6	42	
Nashville	7/6	22	
Pittsburgh	7/6	19	
Far East	7/6	13	
POD	7/6	23	
Japan	7/13	16	
Charleston	7/13	13	
Jacksonville	7/13	24	
Mobile	7/13	45	
Savannah	7/13	80	High
Wilmington	7/13	20	
LA	7/13	28	
Sacramento	7/13	60	High
San Francisco	7/13	14	
Albuquerque	7/20	9	
Fort Worth	7/20	96	High
Galveston	7/20	11	
Little Rock	7/20	24	
Tulsa	7/20	21	
TAC	7/20	28	
EUD	7/20	30	
TOPO	7/20	8	
Cold Region LabCERL	7/20	6	
CERL	7/27	19	